



August 15, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**RE: Notice of *Ex Parte* Communication
MB Docket No. 13-236
Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple
Ownership Rule**

Dear Ms. Dortch:

On August 11, 2016, Mace Rosenstein of Covington & Burling, L.L.P. (representing Univision Communications Inc.), Colby M. May of Colby M. May, Esq., P.C. (representing Trinity Broadcasting Network), Tom Davidson of Akin Gump Strauss Hauer & Feld LLP (representing ION Media Networks, Inc.), and the undersigned (representing ION Media Networks, Inc.) (collectively, the "Companies' Representatives") spoke by phone with Jessica Almond, Legal Advisor for Media, Public Safety and Enforcement to Chairman Wheeler of the Federal Communications Commission (the "Commission"), regarding the pending Commission rulemaking reviewing the UHF Discount (the "Discount") and its proposed elimination.

The Companies' Representatives noted that each of the Companies represented on the call had utilized the Discount, with the Commission's full encouragement, to develop competitive television networks that have added to the diversity of viewing choices, added to competition in the marketplace and, in the process, furthered the public interest. This was one of the goals of the Discount and was fully recognized by the Commission in its 2003 Ownership Order. It was also noted that the Companies had invested millions of dollars in purchasing, building and improving the UHF television stations that form the backbone of their respective networks, that this process had commenced shortly after the adoption of the Discount in 1985, and that the vast majority of the Companies' UHF stations were acquired long before the Commission evidenced an interest in eliminating or modifying the Discount. In fact, as recently as 2003, the Commission had announced that it would preserve the Discount after the DTV transition for all UHF stations unaffiliated with the Big 4 networks, *i.e.*, the stations owned by the Companies represented on the call.

It was also pointed out during the call that, by utilizing the Discount, the Companies did not acquire their UHF stations via any waiver, temporary authorization or conditional grant from the Commission. Rather, the Commission eagerly allowed these Companies to acquire their respective station groups with absolutely no indication that such ownership would not be permanent or transferable.

The Companies' Representatives pointed out that, if the Discount is eliminated by the Commission, only full grandfathering for the current owners and free transferability to new owners would guarantee that their investments would not be lost and that the value of their programming networks and network reach would not be jeopardized. It was further noted that this is a very unique situation involving only a small number of companies that relied on the Discount to build their networks; that there is Commission precedent for




Marlene H. Dortch
August 15, 2016
Page Two

taking this type of going forward action; and that the Commission is well within its authority to preserve completion and diversity with a grandfathering/transferability finding.

The Companies' Representatives also noted that the adoption of a waiver policy to consider new ownership structures for the Companies is neither workable nor realistic. The waiver process, by definition, is a case-by-case approach which is unpredictable, often untimely and difficult to manage in a financial/commercial setting. Such a process creates great uncertainty for the Companies from a financial, operational and shareholder perspective.

Finally, the Companies' Representatives urged the Commission to consider all of their filings in this docket and to recognize in any Commission decision the positive contributions these Companies have made through the use of the Discount.

Respectfully submitted,



John R. Feore

cc (via email):

Jessica Almond, Esquire
Mace Rosenstein, Esquire
Colby May, Esquire
Tom Davidson, Esquire